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ORGANIZATIONAL AND STAFF STRUCTURE

Report of the Open-ended Working Group on the Organizational and Staff Structure of UNIDO

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Introduction

1. The Open-ended Working Group on the Organizational and Staff Structure of UNIDO was established by the Industrial Development Board in its decision IDB.7/Dec.23. The mandate of the Working Group was to review the organizational and staff structure of UNIDO and report to the seventh session of the Programme and Budget Committee, bearing in mind decision GC.2/Dec.22(h) of the General Conference, the medium-term plan, and the constitutional mandates of UNIDO. A summary of the events that led to the establishment of the Working Group is provided in annex I.

I. ORGANIZATIONAL MATTERS

2. In accordance with Board decision IDB.7/Dec.23, the Open-ended Working Group was established under the guidance of the Bureau of the Board. The following organizational matters were thus based on recommendations made by the Bureau (and Enlarged Bureau) of the Board.

3. The Working Group held three meetings: the first on 10 January 1991, chaired by Mr. Cserveny (Hungary), Vice-President of the Board, the second on 21-22 February, chaired by Mr. A. Tofigh (Islamic Republic of Iran), Vice-President of the Board and the third on 18-19 March, chaired by Mr. O. Lønsmann Poulsen (Denmark), President of the Board. The present report was adopted by the Working Group immediately before the closure of the session on 19 March 1991.

4. At its first meeting, the Working Group took note of the decision of the Bureau of the Board that the officers of the Working Group would be the same as those of the seventh session of the Board, i.e.:

Chairman: Mr. O. Lønsmann Poulsen (Denmark)

Vice-Chairmen: Ms. N. Rodriguez (Cuba)
Mr. V. Cserveny (Hungary)
Mr. A. Tofigh (Islamic Republic of Iran)

Rapporteur: Mr. N. Ayadi (Algeria)

5. The Working Group also took note that, in accordance with rule 63.3 of the Rules of Procedure of the Board, the rules of procedure of the Group should be those applicable to sessional committees of the Board, as defined in rule 62.4.

6. The Working Group adopted the following agenda:

1. Opening of the session of the Working Group
2. Election of the bureau of the Working Group
3. Adoption of the rules of procedure of the Working Group
4. Adoption of the agenda of the Working Group and organization of work
5. Suggestions presented by Member States at the seventh session of the Industrial Development Board concerning the restructuring of UNIDO
6. Director-General's vision of the organizational and staff structure of UNIDO and his comments on the suggestions presented by Member States
7. Implementation of Board decision IDB.7/Dec.23
8. Final report of the Working Group
9. Closure of the session of the Working Group

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7. For the consideration of the items on the agenda, the Group had before it the documentation listed in annex II.

II. BASIC CONSIDERATIONS GUIDING THE RESTRUCTURING

8. The Working Group carefully considered the Director-General's proposal, as contained in document IDB.7/33 and conference room paper IDB.7/CRP.5, and made a number of observations for his further consideration. Also a number of clarifications and answers to questions raised by the Working Group were given, orally as well as in writing.

9. The following basic considerations guiding the restructuring were broadly supported by the Working Group:

- UNIDO needs to be restructured if the Organization is to comply with its mandates in an effective manner;

- Any new structure should carefully reflect the needs of industrialization of the developing countries and be simple, rational and transparent and ensure a close co-ordination and effective control within and between the units;

- The activities resulting from the new structure should strengthen country, regional and interregional focus, and the structure should result in accountability of UNIDO's activities, including adequate appraisal, review and evaluation systems, bearing in mind the real impact of UNIDO's activities on the economies of the countries concerned;

- A principle of responsibility and accountability at lower organizational levels should rule. Co-ordination should be seen as a functional role of management, and not as an end in itself;

- The director of each division should be given clear terms of reference and guidelines, due regard being paid to the need for improved co-ordination and the avoidance of duplication with the functions of other divisions;

- The importance of recruiting staff on a wide and equitable geographical basis and the necessity of securing the highest standards of efficiency, competence and integrity were specifically stressed;

- Considering the future activities of UNIDO, the emerging challenges and changing circumstances, previous agreements and decisions may need to be altered with regard to the number of deputy directors-general and the allocation of departments to them. Such a decision is for Member States to make at the political level;

- In this context, the Director-General's proposal in document IDB.7/33 and all other documents and proposals considered in the Working Group should form the basis of working out the new structure for UNIDO;

- Subject to general or specific directives of the General Conference or the Board, the Director-General, as the chief administrative officer of the Organization, has the overall responsibility and authority to direct the work of the Organization and, under the authority of and subject to the control of the Board, he is responsible for the appointment, organization and functioning of the staff;

- With reference to decision IDB.7/Dec.23, paragraph (g), which "requested the Director-General to report to the Conference at its fourth regular session, through the Industrial Development Board at its eighth session, on the findings concerning the organizational and staff structure of UNIDO, with a view to reaching a decision on this matter", a new structure should be decided upon - if possible - in 1991.

Annex I

Background Information

1. The following paragraphs summarize the events that led to the establishment of the Open-ended Working Group on the Organizational and Staff Structure of UNIDO.

2. Discussions concerning the organizational structure of UNIDO were initiated at the second session of the General Conference in 1987. On that occasion, the Conference in its decision GC.2/Dec.22 which approved the programme and budgets 1988-1989 requested the Director-General to present to the Board a report which further rationalized the organizational structure of UNIDO, taking into account views expressed by Member States inter alia with regard to:

- Eliminating duplication and improving internal co-ordination;
- Delineating more clearly departmental responsibilities and functions; and
- Strengthening the substantive departments.

3. Subsequently, at the request of the Board, the Director-General commissioned a management review of the organizational and staff structure of UNIDO, especially at the higher levels, to report on its suitability and to make appropriate recommendations, taking into account the constitutional and statutory functions. The report of the management review and the findings and recommendations of the Director-General on the basis of that report were submitted to the Board in 1989 and drawn to the attention of the General Conference at its third session (IDB.5/9, IDB.5/9/Add.1 and Corr.1 and GC.3/33). As approved by the Board, a number of those recommendations of the Director-General which had no financial implications were implemented in 1989 and 1990.

4. The General Conference, at its third session, in resolution GC.3/Res.20 invited the Director-General to pursue his in-depth study on the appropriate organizational structure of UNIDO in accordance with the criteria set out in paragraph (h) of Conference decision GC.2/Dec.22. At the same time, it requested the Director-General to present to the Conference at its fourth session, through the Board, a report on his overall vision of the appropriate organizational and staff structure of UNIDO, including clear terms of reference and functions for the different departments and divisions, taking into account the medium-term plan. It also requested the Director-General to continue to consult, as appropriate, with Member States and, at the request of the President of the Board, to initiate further informal exchanges of views and studies of options for the long-term reform process and optimum staff structure, especially after presentation of the report which is to be submitted to the Board and the Conference. Accordingly, the Director-General continued his consultations with Member States and submitted to the seventh session of the Board document IDB.7/33, which provides his overall vision of the appropriate structure of the Organization.

5. While taking note of the information provided in that document, the Board in its decision IDB.7/Dec.23 requested the Director-General to continue to update and revise his vision of the organizational and staff structure of UNIDO taking into account the views expressed by the Member States and the staff of UNIDO during the seventh session of the Board. It also established the present open-ended working group which is to review the organizational and staff structure of UNIDO and report to the next session of the Programme and Budget Committee, bearing in mind paragraph (h) of Conference decision GC.2/Dec.22, the medium-term plan, and the constitutional mandates of UNIDO. Board decision IDB.7/Dec.23 also requested the Director-General to report to the Conference at its fourth regular session, through the Industrial Development Board at its eighth session, on the findings concerning the organizational and staff structure of UNIDO, with a view to reaching a decision on this matter.

Annex II

Documentation submitted to the Open-ended Working Group on the Organizational and Staff Structure of UNIDO

1. General Conference resolution GC.3/Res.20 on organizational and staff structure of UNIDO
2. Decision IDB.7/Dec.23 of the Industrial Development Board on organizational and staff structure
3. Extracts of summary records of the seventh session of the Board
4. Full reply by the Director-General on item 15 (organizational and staff structure) at the seventh session of the Board
5. Introductory statement by the Director-General to the seventh session of the Board
6. Organizational and staff structure of UNIDO. Report by the Director-General (IDB.7/33)
7. Enlarged versions of annexes I and II to document IDB.7/33 (organization chart and functions chart)
8. Organizational and staff structure of UNIDO. Note by the Secretariat (IDB.7/CRP.5)
9. A note by the UNIDO Secretariat dated 2 January 1991 supplementing the information contained in conference room paper IDB.7/CRP.5 concerning the project cycle.
10. A statement delivered by the Director-General to the Working Group on 10 January 1991 under agenda item 6.
11. A non-paper put forward by the Western European and Others Group as a basis for discussion among regional groups; distributed during the second meeting of the Working Group on 21 February 1991.
12. A position paper from the G-77, distributed during the second meeting of the Working Group on 21 February 1991.
13. A paper prepared by a sub-group of the Working Group, and submitted to the Working Group at its second meeting, on 22 February 1991.
14. A note dated 14 March 1991 prepared by the Secretariat as a follow-up to the second meeting of the Working Group.